

# **U.S. SMALL BUSINESS ADMINISTRATION**

**Office of the National Ombudsman**

**Regulatory Enforcement Fairness Hearing**

**Portland, ME**

**August 16, 2007**

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## PROCEEDINGS

[START TAPE 1 SIDE A]

**MR. MAURICE DUBE:** I'm the District Director for the Small Business Administration of Maine and we've also (inaudible) these in the past have been very successful. We've had some very important results out of this and I'd like for my friend David Clough to say something about that when he introduces himself as well. Before I introduce Nick, I want to thank Steve Edmondson. Steve is the head of the Score Chapter, the chapter here for the Score Chapter for the Portland area. It's our largest and most active Score chapter in all the state of Maine, but it's also a chapter that's received national recognition to help counsel and train small businesses, and they provide their services for free. This time it's provided to our usual customers for free; our taxpayers for free, and Steve, thank you very much for hosting us today. It's always a pleasure doing business with you and (inaudible) Score. Thank you very very much.

**MR. STEVE EDMONSON:** Thank you.

**MR. DUBE:** Nick Owens, our National Ombudsman; Nick has become a personal friend. We've done couple of these and the last one you and I worked on was in Boston. Again, a successful event. I can tell you we are very fortunate having Nick with us because he really really is on the ground all the time. He's everywhere trying to help us take care of our small business customers. Nick, it's all yours.

**MR. NICHOLAS OWENS:** Thank you Mr. District Director. It certainly is wonderful to be in Maine. This is my first opportunity to be in this great state and join the distinguished board members. Of course, Kathryn Weare is our Chairman, and then he is not Leo Blaze. Title there; who actually is a state senator who actually serves on our board, but could not be here today. But our newest board member who was nominated by Senator Snow is Bernard Featherman. We certainly welcome you for our first hearing. So before I begin remarks, I'd like to defer to the Chairman and please make your comments.

**MS. KATHRYN WEARE:** Well I would like to welcome you all to the Regulatory Enforcement Fairness Hearing. And I'm sure that (inaudible) small businesses are very important and no one is more aware of it than I. The (inaudible) is celebrating its 135<sup>th</sup> anniversary this year (inaudible). Now what other businesses that we know of any type in any industry that has survived so long. It started as a very small business. I have served as Chair of the Small Business Advisory Council (inaudible), and know very well the name that actually does create more small businesses than any other (inaudible). We don't do as good a job at growing them, but (inaudible). And it's becoming even more important that we find many of our natural resource base

businesses, the very largest businesses in the state beginning to fade for a variety of reasons. Even more (inaudible) I would (inaudible).

**MR. DWIGHT PEAHEY:** I'm Dwight Peavey. I'm with the United States Environmental Protection Agency. I'm out of the Boston Office. My role is small business advocate or sometimes known as the Small Business Ombudsman. (Inaudible).

**MS. STEPHANIE HARRISON-COLBERT:** I'm Stephanie Harrison-Colbert. I'm with the Internal Revenue Service (inaudible).

**FEMALE VOICE:** I'm (inaudible). I coordinate regulations (inaudible).

**MR. BILL COFFIN:** I'm Bill Coffin. I'm the Area Director of the area office of OSHA. (Inaudible).

**MS. VICTORIA BURPEE:** I'm Victoria Burpee and I'm Director of Lending for Eastern Maine Development Corporation.

**MR. JOHN GARDNER:** John Gardner. (Inaudible).

**MALE VOICE:** (Inaudible) with the (inaudible).

**MR. DONALD BOUCHER:** Don Boucher, IRS, Local Taxpayer Advocate. (Inaudible).

**MR. SHAWN SAVAGE:** My name is Shawn Savage; I'm with the (inaudible).

**MR. JOSEPH WYNNE:** Hi everybody. My name is Joe Wynne. I'm with the IRS, Area Manager (inaudible) and I'm responsible for (inaudible) operating division to take over (inaudible).

**MR. GEORGE RIOUX:** Good morning. George Rioux. Department of Labor, Wage and Hour Division. (Inaudible) Boston, we cover Maine, New Hampshire, Vermont, and Massachusetts.

**MR. BERNARD HALL:** Bernard Hall. I'm with USDA Safety Inspection Service. I cover basically (inaudible).

**MR. DAVID CLOUGH:** My name is David Clough. I'm the State Director for the National Federation of Independent (inaudible). And (inaudible) related to (inaudible) value of the regulatory (inaudible), but sometimes (inaudible). Several years ago, a state senator called me and said that (inaudible) was having a problem with the Federation (inaudible). It just so happened that the (inaudible) was going to holding a hearing in Manchester, Vermont about (inaudible) ten days. We made arrangements and flew over. The person presented their case, (inaudible) people, came out in the hallway right after and said I want to talk to you; I want to give you a compliment. Before Labor Day, (inaudible) but more importantly, (inaudible) the legislator was so impressed by the (inaudible) later that year (inaudible) underway and it's already gotten (inaudible). It also (inaudible) everybody else has (inaudible). But it benefits from you all that's<sub>3</sub>

brought (inaudible) and extends beyond (inaudible). (Inaudible) helpful (inaudible) other than working with the usual (inaudible). So without (inaudible).

**MR. STEVE ADAMS:** I'm Steve Adams. I'm the Regional Advocate for the Office of Advocacy of (inaudible) SBA. I'm the Boston office. We cover (inaudible) in this area. I've talked to several of you over the last couple of years around issues as David mentioned the work of this board and the way the federal agencies work with the board is just a great example that I use all over New England. (Inaudible) to try to display how effectively an agency can work with small business advocates to (inaudible) and try to be (inaudible). So thank you very much.

**MS. WEARE:** We had two people arrive late. Perhaps they would like to, you know.

**MR. JOHN MASSAUA:** My name is John Massaua. I'm the State Director for the Maine Small Business Development Center. I've been (inaudible).

**MS. KATERINE ARNO:** My name is Kate Arno and I'm (inaudible).

**MS. WEARE:** (Inaudible).

**MR. OWENS:** I'm certainly pleased to be here. I have a background in business but where I was (inaudible) manufacturing (inaudible). I also (inaudible) some oil companies (inaudible) things that are involved. I left (inaudible) in 1991 (inaudible) SBA (inaudible) small business.

**MS. WEARE:** (Inaudible).

**MR. OWENS:** Basically President and CEO of the Bedford (Inaudible) Chamber of Commerce. I've been (inaudible) two years.

**MS. WEARE:** And how many (inaudible).

**MR. DUBE:** Well before we begin our testimony, I certainly want to say again thank you for taking the time. I mean, what representation from the IRS here today. So we certainly appreciate you all being here and the role that all federal agencies and certainly welcome you for being here and give our regards back to the folks with ICE.

The state of America's 25 million small businesses has never been stronger before representing 99.7% of all businesses in the country. Here in Maine you have 41,000 businesses; 40,000 are small businesses and it's because of the leadership of small businesses, be it in the state's economy or across our country that we're realizing growth; both in our economy and of course, in jobs. With this success demonstrated in your business, we also know businesses strive to be successful, but at the same time you have challenges. And of course<sub>4</sub>

that's regulatory and compliance challenges. And of course the (inaudible) and the focus of small business owners did not come from any of us in this room representing the federal government. It certainly, when you say this, you're here from the government, we're here to help you; it makes you maybe want to run out the door. But in fact, we don't want that to happen quite yet.

President Bush said it best, I believe, when he said that the role of government is not to create wealth, the role of government is to create an environment where the entrepreneurial spirit can flourish, you can risk capital, and you can achieve the American dream. But we also know, and this administration's policy's small business agenda is the focus that there is also regulatory issue here, and that's the concern that unfair regulations and the unfair enforcement of regulations are an issue for small businesses.

So it is an honor and a privilege for me to serve, which I've been in this capacity for just over a year and a half, to deal with the issue of sometimes you find the "gotcha" attitude. I tell you, how about Mo, he's in the spirit here. Not only do we have aesthetics that sound like you're listening to water, but we also have the music. You know, there is a "gotcha" attitude that is sometimes found within the federal government. It's unfortunate, but it's still there. So the issues that we deal with or working closely with Steve Adams and the Office of Advocacy, is to focus on streamlining regulations; recognizing that small businesses can operate effectively in uncertainty and confusion, even more so when they're faced with competitive audits, investigations, excessive fines, penalties, on-site inspections and of course, unfortunate issues of retaliation.

The Office of the National Ombudsman helps entrepreneurs keep more of their hard earned money in their pocket to decide what to do with it. The unfair enforcement of regulations cost businesses two of the most precious commodities, of course, the time and the money to deal with these issues.

According to Steve Shaw, the Office of Advocacy, small businesses spend more than \$7,647 per year per employee; let's say of a small business of 20 employees compared to the larger counterparts of 500 employees. And that represents 45% more than it costs a larger business. And that's also 67% more for tax compliance for small businesses compared to larger businesses and 4 ½ times for environmental regulations. And it's often because small businesses cannot employ teams of accountants, super lobbyists and consultants to represent their issues. And as I travel the country quite a bit, I know many times that the three issues that are of great importance to small businesses: health care costs, taxes, and regulatory costs. So the money that small businesses spend on unnecessary regulations and the unfair enforcement of these regulations can be better spent to expand the infrastructure of a local business, build more at your resort, or at

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the same time, it could be to write affordable health coverage of their employees and expand their business.

At our office, and the purpose of these hearing and roundtables we hold around the country, is to receive comments. We can't assist small businesses if they don't know we're here. Many of you here today may have never heard of the Office of the National Ombudsman or the regional Regulatory Fairness Board. So with that, from the comments we receive here today as well as through the internet or in the mail received in our office, I act as a trouble shooter. I have the longest title in the agency; my boss often says that, but it's National Ombudsman and Assistant Administrator for Regulatory Enforcement Fairness. All that means is troubleshooter. And it's one where I liaison on behalf of small businesses with federal agencies; over 35 federal agencies, and we seek a high level finger review of these issues. So if you have a concern about a particular enforcement action, that comment is not sent back to that enforcement officer without their being an appropriate review and a consult to see if there was fairness. Our focus is to ensure fairness with the enforcement actions.

Not only do we assess small businesses, but also non-profit organizations and small government entities of population 50,000 and less. If we can't assist you in our office, we work through the Office of Advocacy. It maybe an issue of (inaudible) rule that you're recognizing the impact of industry and impact of business and Steve's boss, Tom Sullivan, is appointed by the President, confirmed by the Senate; does a terrific job in being the watchdog for small businesses in Washington.

For a little history, where this office came about, Congress created this office back in 1996, The Small Business Regulatory Enforcement Fairness Act. We have a 15 member board appointed by the Administrator of the SBA and with that; we have about 20 roundtable hearings a year. It's important for me in my position for our board members to get outside the Washington beltway, to listen, learn from, and better understand the concerns of small businesses.

One important access, and I appreciate Representative Allen's office being represented, and certainly we work closely with your congressional delegation, certainly with Senator Snow and her leadership for small businesses. One important aspect is accountability and that's accountability to the United States Congress and of course to our administration.

Annually I rate federal agencies in an annual report to Congress, A-F in their responsiveness to small business concerns. Are they timely in their responses, the quality of the response, was it just a form response, did they really address your concerns or did they did deep and study the issues. Compliance assistance; are small businesses being afforded the proper compliance assistance to comply with

regulations. And also non-retaliation policies that are in place.

I'm energized by the success we've been able to realize just in the past year and a half that I've been on the job. A recent economic impact study said the office has saved small business upward of \$229,000,000 in regulatory related costs. While we can't, I never guarantee 100% positive resolution to every issue, we do guarantee 100% of our team back in Washington who's on the line as well as other federal agencies, that we will work on your behalf to address your issues.

I want to give you a few examples, briefly, of cases that give you an idea of the vast array of issues that we deal with. Often people, especially in the media ask what's the one issue you hear more about? I never answer that question being one issue because I hear about so many. It can be environmental, it could be the U. S. Customs, and it can be the FDA, which I know we have a comment from today. So it varies and this is an example. In Seattle, we had three grocers that testified at a hearing such as this that the food stamp program at USDA disqualified them alleging fraud. Well the small businesses believed they certainly did not commit fraud and they appealed to our office for assistance. We worked closely with USDA and that decision was overturned.

Recently we had a case also in the Northwest where it was a \$10,000 fine on a small general aviation business. The gentleman said he did not violate any rules. Once they commented with our office, we went back to that federal agency. They overturned their decision, reduced the penalty to about a \$1,000, then they reduced it to another \$100. They said it's not good enough. I want to clear my good name. You were wrong and there were not any violations and they finally dismissed that.

There was a small brew pub – I appreciate the Labor Department being here—to where the small business owner spent over \$7,000 on attorney fees vowing it was Department of Labor. And it was this, she was the brew master should be either hourly or salaried. Well it was a business decision between that employee and the owner. That was an issue where they reached our office, reached out to us and we were able to seek an equitable settlement for them.

In Maine, there was a small mine operator that insisted that his mine safety and health reports were filed on time in the regional office. However the regional office denied receipt; said they never received them. The gentleman was fined. Contacted our office and we were able to resolve that issue.

Again, more good work from Misha and the folks over at the Labor Department.

There was a Georgia shipping company that was fined \$2,000 by

the U. S. Customs for an alleged import/export violation. That was an issue where we were able to resolve that concern for that small business.

It may not be a particular issue, but I will tell you, be it a \$1,000 fine, a \$10,000; it can put a lot of these businesses out of business, if not being a going concern. I have calls from folks reduced to tears because they can't get issues addressed. They can't reach the right person. The bureaucratic always say that federal government's voice mail system can be one of the worse to try to find the right folks that you need to reach within the government. So it can be as simple as needing a returned call about an application you have on file with an agency and not getting a response. These are all important issues. We want to focus and make sure that regulations are effective and not excessive, and that's the overall mission of our work at the Office of the National Ombudsman.

So with that, that's a quick snapshot of what we do, what we're about, and how we can assist small businesses. I certainly appreciate the folks in the development organization to be here. That's great work that you do expanding businesses. So with that I will turn it over to the Chairman and we can begin testimony.

**MS. WEARE:** Mr. Campbell, I believe, you are on first.

**MR. CAMPBELL:** I'm not sure (inaudible).

**MS. WEARE:** Well, congratulations.

**MR. CAMPBELL:** Thank you. First of all I'd like to thank Congressman Allen (inaudible) for bringing this meeting to my attention. (Inaudible) members of Congress (inaudible). He's the only one that brought it to my attention. I appreciate that. I'm here as a private citizen, as a taxpayer and a Maine resident. Although I do work. I work 40 years as a (inaudible) professional. I do – (interposing).

**MR. DUBE:** Excuse me, because we're recording this testimony for our purposes, could you speak up louder. Right. Thank you.

**MR. CAMPBELL:** I have a certified 40 year history as an environmental professional; an environmental program manager, quality manager. I'm not only semi-retired now, which means I still work every day but I get paid less for it. I work for the town of Seabrook in the capacity of waste water, pre-treatment Program Manager, which means I'm responsible for keeping an eye on the local industries and make sure that what they discharge is by way of process waste water (inaudible) typical waste water system isn't going to harm the system (inaudible).

The reason that I wanted (inaudible) speak today is I run into a number of situations involving the U.S. EPA that I quite frankly find

very frustrating (inaudible).

In the written document that I sent with my registration, I mentioned the case of a company called Martin International Enclosures which is located in Seabrook. It's one of our industrial discharges. I bring up Martin because it's a good example. I don't know (inaudible) typical of the SBA or the (inaudible) but it exemplifies the reason for my frustration.

Martin is a small company. It employs about 35 people. It's been in business since 1999. And in 2001, this company makes the tall cabinets that you see in maybe an insurance company or computer racks where you put like computer servers and stuff; beautiful cabinets. Cherry; nicely made. In my dealings with local businesses, you deal with some businesses that are forthright, straightforward, honest, and there are other ones that require a little more nudging to get them to (inaudible). Martin is one of those straightforward companies. (Inaudible). Very professional. Very proactive.

So, in April of this year, when I got a telephone call from Martin saying, "Tom, I don't understand what's happening. The Environmental Protection Agency says they're going to sue me for \$14,000 for environmental violations." I was a little surprised. So we looked in to it.

Back in 2001, Martin started a color book painting process for these cabinets. Part of this process, they had a wash (inaudible) the metal panels would come through. They'd be sprayed with a hot base solution that cleans all the grease and oil off of them; kind of catches the surface coat of them. They spray this color coat paint on them. It adheres well to the surface. The panels wash (inaudible), the rinse water from the (inaudible) sink is recycled back in to the wash tank so there is no waste water discharge; a 1,000 gallon tank.

Once a year, they (inaudible) the used water (inaudible) discharged. The chemical characteristics of this washed water have a pH within the range of the EPA (inaudible) discharging sewer. There are no organic chemicals in it. There was (inaudible) actually. No petroleum type of carbons at any level that would be in consequence to any (inaudible). There are few trace metals. The highest one (inaudible). I did the calculation. The amount of zinc in the 1,000 gallon waste water (inaudible) our samples, would be less than the amount excreted by me, 12 of us, if you went down to Rite-Aid and bought some Cold-Eeze (inaudible) five days per week. We're talking a very small amount of zinc.

I have not been sure whether this industry, because of that process, know when (inaudible) evaluations (inaudible) or not. But Tom Katz (phonetic) my counterpart at the state, who politely said "well, why don't you have them just write a letter to the EPA and ask." Are we a (inaudible)? Should we be reporting? And Mr. Martin said<sub>9</sub>

gee, that sounds like a good idea. I'll do that. So he wrote the EPA. The gentleman from the EPA who is their inspector came out. He inspected the place; told Mr. Martin – this was back in 2006 – told Mr. Martin, yes, you're reporting you are a categorical industry because of those processes which you have. And we'll send you a questionnaire and we'll set you up on a reporting schedule. Within the fall of 2006, all of a sudden it's April 2007, we're being sued for \$14,000 by the EPA on an environmental violation. And what strikes me, because I'm a life long environmental advocate. I'm very very concerned that we take limited resources that we have and use them wisely. Why are we beating up on little industry? Is he in violation? Yeah. When I'm driving home to Kennebunk today, if I go 67 miles an hour down the main turnpike, am I in violation? Yeah. If the state trooper stops me and writes me a ticket for 2 miles an hour over, does he have a right to do that? Yes. I'm in violation. As a taxpayer and a citizen of the state of Maine, you find out the state troopers (inaudible) that. You have citizens just (inaudible).

**MR. OWENS:** What was the original date you said that he contacted the EPA? You said it was April of last year?

**MR. CAMPBELL:** He contacted the EPA in, I want to say actually; I want to say it was June of last year; June of 2006 they contacted the EPA. And they asked for a category determination. To compound this a little more; just to explain my frustration to you as a citizen and an advocate.

In my role as Industrial Waste Water Pre-treatment Program Manager, there have been a couple of other businesses in town that have done some things that I thought would never change. These companies were also a little questionable. I asked them to write letters to the EPA and asked if they were categorical; they fell under these rules. And they didn't. They, my impression that in their letters, they did not entirely tell the truth. EPA wrote them back and said "oh well, based on what you've said in your letter, you're not categorical." I brought my concerns to the same people who were persecuting Martin International, and this was at least a year or more; so far to the best of my knowledge, both (inaudible) haven't been investigated for long, and I don't quite understand why.

I had the privilege back in the 1970s to serve in the U. S. Navy on the forestall, and the Captain (inaudible) on the bridge of his (inaudible) stamping on ants (inaudible).

**MS. WEARE:** So you're basically feeling that the EPA should prioritize and go after the larger non-compliant businesses. And you feel that this is accepted (inaudible) for small business. Is that it basically?

**MR. CAMPBELL:** I don't feel; Mr. Martin and his company should have been reporting EPA. There's a procedure they should

have followed (inaudible). Now, I imagine that there are people in this room that understand that the small businessman with 35 employees stay on top; I bet you if we look in to it, maybe Mr. Martin is not in compliance with all the FTC rules for domestic content labeling too. I don't know. There are so many zillions of little small rules that I think most of these honest hard working businessmen simply want some help in how do I get the advice. I felt in my role as a semi-retired Industrial Waste Water Pre-treatment Program Manager that I could out; I could help somebody identify (inaudible) this is something you need to do. Let's get that straightened out. Let's go on top of this. I didn't expect that when I did that, my interaction with EPA, that they would be fined \$14,000 for that (inaudible). These are good honest hardworking people who simply want to do what's right.

I had a company that manufactured metal products and we utilized (inaudible). (Inaudible) and not explaining the purpose (inaudible) they go in and see something wrong. (Inaudible). The only thing is, sometimes they're a little overbearing (inaudible) myself (inaudible) reports. But there is a requirement for records (inaudible) and the requirements should have that.

**MR. FEATHERMAN:** I think they do have the records. I think they're not reporting as for the term, the categorical industrial discharge (inaudible) reporting DRF 433.

**MS. WEARE:** Have they been notified that they should be reporting?

**MR. CAMPBELL:** They have not and as an environmental protection person, I read the regulation. I went in and looked at what they did. I came back and I still wasn't certain. I got the inch and a half thick volume that the EPA development document supporting CRF 433; I went through that. I studied it. I still wasn't clear as to whether they were categorical because it refers to this water process in one place as a pre-treatment, in another place it's a cleaning process. If it's pre-treatment sort of coding, then it would be categorical. If it's a cleaning process, then it would not be categorical. This is why, with the advice from the guy from the state, I said write the EPA and ask. My concern, yeah, are they required? Yeah, they're required; there's no question about that. My question is, for the other; let's say there 20 or 30 or 50 or 200 or 500 some cases in New Hampshire or Maine who are out of compliance. My goal as an environmental professional as it concerns businesses, is to get them in to compliance and make sure that our environment is protected and make sure that the laws are complied with. Am I ever going to refer anybody to EPA again? I have EPA eyes and ears in the field and there are hundreds of people like me, I've never ever (inaudible), not if they're going to be treated like that.

**MS. WEARE:** You've made a very good point. I think you've come to the right group to hear your story. And I would imagine it's

(inaudible).

**MR. OWENS:** That's right Mr. Campbell, thank you. And thank you for a very detailed testimony. And we will certainly be in contact with EPA on this issue.

**MR. CAMPBELL:** Thank you.

**MR. OWENS:** Certainly. Thank you for being here.

**MS. WEARE:** Alright, we do have, we actually have two more then. The first one is the Maine Lobstermen Association. You're actually here. Great. That's okay. Your name.

**MR. OWENS:** Ma'am, can you come forward please? Thank you. You're welcome to sit here if you'd like.

**MS. PATRICE MCCARRON:** Okay. I apologize for being late. My name is Patrice McCarron and I'm the Executive Director of the Maine Lobstermen Association. And I am here on a regulatory issue that is a little bit different than what you've been dealing with, but I was encouraged by the SBA Office of Advocacy in Washington, D. C. to come here today.

We're actually currently in the middle of a rule-making process through the National Marine Fishery Service, NOAA Fisheries, to regulate large whales. We've been in the process for about 12 years now going through the regulatory process, playing by the rules, sitting at the table trying to assess a regulation that is going to work to protect whales and to protect our fishermen and our ability to continue to fish.

A little bit of background about the Maine Lobstermen's Association; we're an industry organization. We are membership driven. We have about 1200 members and that is of 1200 of about 5,000 commercial fishermen in the state of Maine. We are a \$300,000,000 industry, so not necessarily a typical small business, but the way we're structured is that we're all own or operated businesses. Although we have a major economic impact to the state at 300 plus million dollars, that's just (inaudible) to the boat. We're probably closer to a billion dollar overall economic contribution to the economy. We are about 5700 individual (inaudible). Very small businesses spread out in rural communities, islands; people who really don't have anything else to do, so our ability to survive is greatly impacted by the outcome of these rules.

It's a complicated process if you're not in fisheries, but basically the federal government is proposing to ban the use of a rope that we feel in Maine is very essential to the survival of our fishery. It has to do with how we string our lobster traps together on the bottom. In Maine, we use a rope that actually floats and the reason for that is because the topography of Maine is very rocky, very rough; our currents are very strong and if we don't use a rope that floats, the rope

gets stuck under the rocks and we actually cannot haul the gear back from a vessel. It's very dangerous. The rope can actually get stuck; it can snap off. Under bad weather conditions, it can actually haul a boat over on its side and capsize it. So there are huge safety concerns.

The reason that we've gotten in to this situation with National Marine Fishery Services, you know, a very typical approach for a federal agency, they're looking for one size fits all approach that is going to go to conserve large whale species along the entire eastern seaboard and they're looking at protecting their species from Florida up to the Canadian border. And once you get outside of Maine, the coastline is very different. There tends to be more sand, more mud; the nature of the fisheries is very different, and what we're finding in Maine is we're actually situated between two critical whale habitats. There's a critical whale habitat in Cape Cod Bay, and there's a critical whale habitat in the Bay of Fundy Canada. And then the whales will transit just along the eastern coast down to Florida for a cabin round.

So the regulations that are being pushed on us have actually been driven out of Cape Cod Bay which is a very sandy bottom near shore area. Sinking line between traps have been effective; it has worked well there and so the federal government is just sort of trying to blanch this; they're calling it broad based scale modification out to the entire coast.

So it makes sense except it doesn't work for us where we fish. That would all be well and good. The second huge piece of this is that our fishermen don't actually interact with whales. The life species of the whale is such that when the whales are stopping in Cape Cod Bay to feed, and then they'll transit off of the main coast to the Bay of Fundy, again to feed, and then back down to Florida to calve, they've not actually coming inshore in Maine state waters where the majority of our fishermen fish. The story there is of our 5700 full time commercial lobstermen, 85% of those are not allowed to fish beyond 3 miles from the coast. So they have a state water permit only. We have only 1400 lobstermen in Maine who can fish from 3 miles out.

Recent research has shown that we only have 200 lobstermen who fish more than 12 miles from shore. The average whale sightings that have triggered management measures off the coast of Maine, in Southern Maine where we do have a feeding area for whales called Jeffrey's Ledge, the average sightings of those whales from shore are 31 miles. So well beyond where the majority of our fishermen are actually applying their trade and along the rest of the coast, the average whale sightings from the coast have been 57 miles from shore.

So we feel that the regulations being proposed are very excessive given the financial impact it's going to have on our industry in the actuality of where our lobstermen fish vs. where the whales spend their time. We've been arguing this for years. The process started in 1995

when a Take Reduction team was formed. There have been iterations of this plan that have gone forward in the Maine Lobster industry is 98% compliant with all the rules to date. What we fear is that if they ban the use of floating lines, which they actually did this week, in much of our state waters and moving off shore, that our industry will not be able to comply.

The economic costs, a one time conversion for a small business in Maine to convert from floating ground line to sinking ground line is going to on average \$10,000 - \$15,000 a year. A recent socioeconomic study done of the lobster fishery indicated that the average take home income of a Maine lobster business is between \$21,000 and \$31,000 depending on where you are on the coast, with an average income of \$28,000; so a huge economic hit.

And then in addition to this, floating rope lasts on average from 7 to 10 years, so it has a replacement cost of maybe \$400 a year. Sinking rope will last on average 1 to 3 years and will have a replacement cost of significantly more; \$2,500 to \$7,000 depending on where people are fishing. So that's rope alone. In addition to that, there are safety concerns. People will be losing lobster traps. There's a lot more just time involved in re-rigging the gear, fishing that gear safely; a whole host of costs.

One significant thing that has happened between the release of the proposed rule and now our final environmental impact statement with a preferred alternative being released this week is Senator Snow's office issued a report from the Government Accountability Office, and they looked in to the National Marine Fishery Service actions pertaining to this rule, and they ruled pretty much, gave our side a lot of credibility, but they said that "uncertainties remain regarding how many few or serious injuries and mortalities will occur to the large whale population as a result of this requirement." So, what the government is proposing doesn't have any measurable benefit to the whale population. The report also states that "NMFS lacks key data on the fishermen's ability to absorb these costs without going out of business. NMFS cannot fully assess the impacts of the costs the gear modifications would have on fishing communities." So the economic baseline data that the National Marine Fishery Service used is probably 10 years old and where they didn't have data, they just made things up and the GA annual report fully documents that.

It's been frustrating for us. We had a regional meeting with the staff to go over the contents of the preferred alternative and I brought up the fact that the National Marine Fishery Service actually just funded a socioeconomic study of the lobster industry which was completed in 2006 and asked them if they had used that economic information in this final environmental impact statement and the response was "no." They didn't even know about it. It was also done out of the northeast regional office. And those basic pieces of

information that they just feel are not important and can be assumed is all well and good for them when they create their averages and generate these reports, but it literally affects the ability of our fishermen to survive and stay in this business.

So there's a lot more to the story, but I think that sort of paints the basic outline. We certainly advocated through the regulatory process and we'll continue to do that. We visited the members of our delegation and will continue to do that. We don't really feel that a political solution is appropriate, but at this point we'll try anything. We've been through the Small Business Administration in D. C. through the Office of Advocacy. So we're pretty much knocking on any door that we can to try to; we're trying to have regulations that are going to work. And I should say that the lobster industry is committed to conservation. I think probably everybody knows our reputation is that of being great stewards of the resource. We have one of the only healthy fisheries left in the entire world. And our industry have been very active in testing these gear, low profile ropes, sinking ropes, break away links; have been active in all kinds of workshops and we will continue to do that and it's really been kind of pioneering different ways to help make this population safe; fishing safer for the whales. But the bottom line is that in Maine, we just are in this unique situation where we're literally not interacting with the whales and to date, the regulations haven't been really cost intensive so we've been able to just do them and say okay we'll just go with it and get them off our backs for a while, but this one goes too far. We literally don't have the ability to pay and some people will not be able to fish with this rope. So that's one of the reasons we're looking for new technology that would be affordable and actually fishable.

**MS. WEARE:** So if we were to (inaudible) because the economic concern is huge, but there's also a safety concern which has to do with the fishermen, not the whales.

**MS. MCCARRON:** Correct.

**MS. WEARE:** Because I come from a family that has fished for many years and I have relatives who still do. I know that being a lobstermen is one of the most hazardous duties (inaudible). So when you say, I have not gone lobstering myself in many years, but you're talking about the buoy?

**MS. MCCARRON:** Uh huh.

**MS. WEARE:** Right. Which is marked for each lobstermen with a particular color and pattern and indicates that it's his cash of trap, right?

**MS. MCCARRON:** So actually the buoy connects to the trap and the rope that's being regulated actually connects the traps on bottom together with the rope on the bottom.

**MS. WEARE:** Correct. And that's how you have the wenches, and that's the danger of (inaudible) because many of them are not mechanized or whether they are or not.

**MS. MCCARRON:** They're all hydraulic haulers, but if the gear on bottom is stuck under a rock and you apply that pressure to the hauler, the rope is basically stronger than the boat's ability to right itself.

**MS. WEARE:** People get flipped over board or (inaudible).

**MS. MCCARRON:** Or the rope snaps and literally hits somebody in the face. When you're in a sandy or mud bottom habitat, the fishermen do something called zappling. And they'll use their plotter and they'll go over where their gear was and they'll throw like a big hook and kind of drag it and pull up their trap. Once they're in rocky bottom, you lose your ability to do that and you can't find the gear you have. So in addition to the danger of losing that gear, you actually lose the physical lobster trap which is an environmental nightmare in to itself. We'd rather not get into.

**MS. WEARE:** You have a series of economic arguments that you can bring forward on this and you have the safety of the lobstermen themselves. And it all has to do with the very unusual terrain beneath the ocean (inaudible).

**MS. MCCARRON:** Yeah. National Marine Fishery Service raw-based modification approach works fairly well from Florida to Maine with the exception of Maine because our habitat where our lobstermen are fishing is very very different from anything that we're seeing.

**MS. WEARE:** And have the Department of Marine Resources here in Maine, have they done a remapping of the, to indicate the differences?

**MS. MCCARRON:** They've actually, over the past few years, one of the major projects that took place was an underwater video camera of Maine's rocky bottom.

**MS. WEARE:** And you can provide that too. That could be extremely helpful.

**MS. MCCARRON:** We have. I mean the boulders in Down east (phonetic) Maine are literally as big as this room. In southern Maine it's more gravelly, cobble; you get into some small boulders. And as you head east, it just sort of exponentially gets worse. And the other thing that exponentially gets worse as you head east are the bottom parts which really, the tides and the currents run a lot harder and it just; it makes it virtually impossible for us. I've got a segment of my Board of Directors who pride themselves on doing the right thing and being compliant saying that they just will not be able to fish this rope; they

will not get their gear back.

**MALE VOICE:** (Inaudible) has all this information. They may have just rejected information and contacted (inaudible) their policy.

**MS. MCCARRON:** We've provided all the information at our last meeting on Friday. I was informed that they didn't know about the socioeconomic survey, which I found personally astonishing because we had tried to get that funded for several years and ultimately did get the funding through NMFS office, but it's an NMFS economist and not a whale people and evidently, ironically, that socioeconomic study was done for a lobster plan being the offshore area. And they said because the information was released in 2006, they weren't sure if it had been peer reviewed. They're just not able to consider it. And from where I sit, you know, that's not okay. We've got businesses literally on the line here. You know with them trying to tease out exactly what we can do but you know, we've brought all that information to the DAO and to the delegation and the SBA. We also met with the Office of Management and Budget in D. C. and brought that information forward as well. And this rule making was also initiated in 2003. It was just, it's just been obviously very controversial, and just finally made it to the FEIF state and to see that NMFS has had all of this time; basically has had two years since the draft environmental economic impact statement. There's not one lick of new information between the DEIF and the FEIF and what? I mean they just basically regenerated the same report and provided a little bit more explanation for what they're proposing. It's just it's frustrating. You know, I'm not sure what we're going to do. They've also only given us 12 months. The final rule will be issued in October. We'll have a 12 month implementation period for the sinking rope provision.

**MALE VOICE:** So you have to implement by October 200 – (interposing0?

**MS. MCCARRON:** It will be probably like mid-October '08. And back in 2003, when they started the scoping process, they were promising a five year implementation which even if every Maine lobstermen said hip hip hurray, you guys hit the nail on the head; we're all going to do this, I don't think that there's enough rope in the world to convert 3 million lobster trap fisheries in Maine alone, so our ability to actually secure the rope and comply is also very much in question. So probably our first priority will be to try and slide the implementation back to something more realistic and then look at trying to exempt or ensure lobstermen who are actually not interacting with the whales.

**MALE VOICE:** (Inaudible).

**MS. MCCARRON:** That's what we've been working on, but in 12 years we haven't made it very far. So we have to pick a new one. We really have been pushing for research; that's one of the things

that we've been talking to our delegation about is the best available information stinks. We've asked (inaudible) biologists come to Maine and tag Right Whales and tell us where they're feeding, and they say, we can't study Right Whales in Maine because they're not there. And even, honest to God, get any Right Whale biologist to go on record saying that. In fact the National Marine Fishery Service just funded a cruise to bring a vessel out of Woods Hole to Maine to look for Right Whales. Their first mistake was they sent it up from June to July and that doesn't actually jive with the Right Whales migration pattern. The better time would have been to get them from a space (inaudible) through the fall, but anyway they did it. We worked diligently through the Department of Marine Resources and our industry association. They were going to look at Jeffrey's Ledge off southern Maine; an area where we know whales stop and do feed.

**MS. WEARE:** Where is Jeffrey's Ledge?

**MS. MCCARRON:** It's basically off the coast of York Port (inaudible).

**MS. WEARE:** Beyond Dune Island?

**MS. MCCARRON:** Yes. Further off. It's probably about 15 to 20 miles offshore and it's a back (inaudible) metric feature where the bottom rises up kind of like Georgia's bank way off shore. You know, you have lots of forage, lots of birds, lots of seals, lots of critters. And our industry is 100% complaint using sinking rope in that area because there are whales there.

**MS. WEARE:** I think that's an important point. So where there are whales, you are in fact, are already using sinking rope. It the bottom type there, it's gravel and it works and it's not a problem for our fishermen. But the crews obviously found no Right Whales. None of the critters, copause (phonetic) need to aggregate in large numbers for Right Whales to actually forage, which is when they think they're at risk and they don't actually think that the bottom type and the currents and the tides of Maine are conducive to aggregate that concentration of forage. And there is research ongoing to try to document that, but federal laws are disappearing at a rapid rate.

So we're looking as an industry at potentially proposing a surcharge to our own license to try to get some research.

**MS. WEARE:** To the state license?

**MS. MCCARRON:** I mean we're just, whatever we can think of; this is one case where lack of information is really hurting us. Usually we're afraid to have information for what it will tell, but in this case, the lack of information is really hurting us. Just to have the GAO sort of look at the issues that we've been raising and say basically, yeah. What the lobster industry has been moaning about is all right in

the information in the EIS is pretty poor.

**MS. WEARE:** Have you alerted the Department of Economic Development here in the state of Maine?

**MS. MCCARRON:** Because these regulations occur at the federal level, we certainly meet with the Governor on a regular basis. We meet with the Department of Maine Resources. We have checked in with the ECD, but they tend to not really know what to do and because we've been in a holding pattern between our proposed rule and our final rule, we didn't really have the substance of the Commissioner of Maine Resources was a little gun shy in terms of you know, let's just get out there and start asking. But he was like you don't know what -- I'm like, I can pretty much guess what they're going to propose.

Now that we've got the substance of the final rule in hand, we're making those rounds again. We've been to D. C. We've been to OMD. We've been to FDA. We're scheduled to meet with the Governor, you know and we'll be our legislative (inaudible) resource committee in Maine. They've all been very supportive, but it's great to have the state of Maine all on the same page and moving in one direction; that's essential. But we're all kind of powerless intersecting with the federal rule making process.

**MR. OWENS:** Is there a specific recommendation (inaudible) the preferred alternative. What would outside of the implementation date; what's the preferred alternative?

**MS. MCCARRON:** The preferred alternative is an exemption line that goes off the coast of Maine. It exempts about 70% of state waters from the sinking rope requirement.

**MS. WEARE:** And state waters are up to?

**MS. MCCARRON:** 0 to 3 miles. And so, basically, the government is creating another line in the ocean. I don't think there is any precedent in history to ever take a line away, so we're a little bit nervous about -- I mean we're glad that they're at least exempting some inshore fishermen, but the line is in the wrong place. I don't really think it's justifiable based on the data, based on the fishing patterns, and we're actually running a; I've actually only been working personally on this issue for a year and a half and it's been astonishing how much information doesn't exist. And one of the things that our association is having done right now to get on the records for the final rule is a probability analysis based on where our lobstermen are fishing, based on where whales are sighted. You know, we'll take the last five years as the most intensively survey times where whale watch vessels participating in most regular aerial surveys. You know actually targeted exercises looking for whales. And certainly our most intensive lobstering in history. What's the probability of a whale and a lobster trap encountering each other three miles from shore, five miles from

shore? So we'll have that on the record.

But those are the frustrating things that, how can you be promulgating rules without using some basic statistical model, and this data does exist. It just hasn't been used.

So we're doing the final dash to get as much in to the record of decision as possible. We're anticipating that the conservation community may actually stew over this because Right Whales are a very endangered population and any loss of a whale is too many, and I full concur with the conservation community on that. But it's not Maine Lobstermen who are putting these whales at risk.

We as an industry would be hard pressed to fight that battle in court. I don't know if the state AG office would be willing to fight that battle in court. We'll be investigating that, but it's also scary to think that 12 years of work could end up in front of a judge and who knows what could be handed down. So we're going to work like the dickens to get everything possible, you know, including all of this new information, the GAO report, the socioeconomic study and some of the new whale information in to that record of decision, so if it does end up in a court, the judge will at least have the benefit of the best available information right now which NMFS doesn't seem to be using.

**MR. OWENS:** Let me ask Steve Adams, the regional advocate, is this regulation in the red flag analysis for review?

**MR. ADAMS:** I was just thinking about that (inaudible). [Tape fades out].

**MS. MCCARRON:** This is tricky because the Atlantic Large Reel Take Reduction Plan which is actually what is moving forward is under the Marine Mammal Protection Act. The Marine Mammal Protection Act does require regulatory flexibility, economic analysis, but at the same time, two of the four large whale species are endangered. And so the Endangered Species Act impacts as well. And so what we always hear from this is basically who cares about you guys. They set up a biological removal rate for Right Whales at zero. It's exceeded every year. It tends to be less than one, but that removal rate is from all fisheries; not just the Maine Lobster Fishery. Offshore fisheries, skill net fisheries, fisheries along the entire eastern seaboard.

Additionally our population is impacted by Canadian fishermen who only two years ago passed their equivalent of the Endangered Species Act called SARA, the Species At Risk Act. And they're basically unregulated. And they fish in critical whale habitat. I've seen the gear that comes off whales and a lot of it is Canadian gear, but those takes count against us. That's not anything that we can change, but it would at least be nice if it were recognized that our fishery doesn't actually interact with these whales. There are fisheries that do. There are regulations that can go in to place to make sense in areas like

Jeffrey's Ledge, Mount Everett Rock. Further up the coast we do have a few areas where our fishery does interact and we're there. You know, we're not messing around with Right Whales. It just so happens that the whales are in Maine in places where sinking ropes is a viable option because the forage is aggregating, it tends not to be rocky bottom; it's more gravel. It's seems frustratingly straight forward, but you know, when you take a population of whales that's been about 400 individuals and you do have a take a year, whether it's a ship strike or whatever it is, we're on the receiving end of that and the government's approach is just too broad and not flexible enough to accommodate. We're willing participants. We'll do what we need to do. We just think that what they're proposing is just ridiculous and Maine Lobstermen are probably going to absorb any of the GAO report and I think we're going to take 90% of the economic hit for this because we're the majority of fishermen on the eastern seaboard. So it's kind of backwards.

Thank you for your time. I really appreciate it.

**MR. OWENS:** Very thorough testimony. Thank you Ms. McCarron. May I have that document there?

**MS. MCCARRON:** Sure. Yeah.

**MR. OWENS:** Wonderful. Thank you very much.

**MS. WEARE:** Okay. Well. Should we do our last one?

**MR. OWENS:** Sure.

**MS. WEARE:** Alright. Well our last one is the Wilbur's of Maine and it is Catherine Carty-Wilbur and she has given us a relatively short statement. I'll read it for the record. It says: "The one visit we had from FDA was a very unpleasant experience. The inspector demanded that we stop doing our job and take care of her. She had nothing positive to say, but seemed to look for errors in compliance. I don't think one should know ahead of time of an inspection. I do believe the folks from FDA need to realize we are doing a job; we'll get to them as soon as possible. Any of my fellow retail confectioners have been made to feel that they are the enemy and FDA needs to save the public from them. This is short and sweet (sorry as I am under time constraint). I believe that if FDA folks diluted with the less work together attitude instead of a police state attitude, inspections would be much less threatening and provide a result that would work towards compliance for all. I cannot give specifics of other folks again because of time constraints. I do not want to mention people's names without contacting them, but all the retail confectioners in New England who I am in contact have found inspections to be very upsetting rather than building experience. Most folks in our industry are hard working honest folks. Small businesses want to do it correct and try to be in compliance. Having FDA setting out the situation that causes fear and frustration is truly not necessary. Thank you."

**MR. OWENS:** Thank you. That's Wilbur's...Chocolate Confectioners.

**MS. WEARE:** Wilbur's of Maine. Which all of us know.

**MR. OWENS:** Oh, that's great. Excellent. Thank you. We certainly want to open it up to everyone here; if there are any comments, concerns. Yes sir.

**MR. PEAHEY:** Dwight Peavey from the U. S. EPA. I'm here because of the remarks. It's an open case until it's closed. We don't address it in public. We will address the written testimony and the verbal testimony, and I will acknowledge that entering in to a federal agency to get you an answer, to get the answer to your question may deliver you to the other side of the house. I'm on the assistant side even though I reside in the office of enforcement. And I see that this maybe the case. And I personally will look in to this to see if a letter of inquiry or an answer that should have been addressed before enforcement taken or it should have been referred to the assistant side of the house.

Also, I was talking to Tom about the fact that we do have a part of the EPA that does assistance and we do have the small business policy which allows facilities, once they've determined that they've been out of compliance, to come into compliance and to meet the terms with the policy. So far all cases of small businesses using the policy in region one, we waive 100% of the civil penalty and we've yet to go after the economic benefit. So I think once again, in federal government is trying to find the right door or the vehicle to get your answer and to do what is best. And I feel that in reading the testimony about this company, they were trying to do what was right and they just might have opened the wrong door.

**MR. OWENS:** Thank you. We work closely with Walker Smith, Director of Civil Enforcement with EPA in Washington, so I may be in contact with you soon so we can have some dialogue.

**MALE VOICE:** I have a comment.

**MR. OWENS:** Yes sir.

**MALE VOICE:** It's a great opportunity to (inaudible) mistakenly (inaudible) the wrong door is going forward from that we all (inaudible) bring together an advocacy (inaudible). The EPA does have a very elaborate small (inaudible) and it's so crucial that all the organizations that deal in small business (inaudible) the right door. We hope (inaudible) and we'll work closely with (inaudible) all the time (inaudible) advocacy (inaudible) great advertising (inaudible).

**MALE VOICE:** Also, to follow up on that my team last year brought in the equivalent of \$5,000,000 of (inaudible). So it will not only be (inaudible) because I go out and talk to many groups, plus I'm

in a regulatory program. And to the assistant side, when you want small business to have to comply with it, they use large lines of (inaudible). So it's that problem. Oftentimes I will get someone who will come to me and I can go to the enforcement section to get the answer. I can get the answer or company X and that's the danger of a letter identifying the entity going to the enforcement entity which is (inaudible) a perfect enforcement being. So I will personally take this on in full communication.

**MR. OWENS:** That's excellent. Thank you. Yes sir.

**MR. RIOUX:** My name is George Rioux, and I'm with the U. S. Department of Labor, Wage, and Allocations. (Inaudible) recognize it's important role (inaudible). We have (inaudible) business (inaudible) with new possibilities including compliance that will (inaudible). They had heard about our efforts to update (inaudible) white collar regulations (inaudible) [www.wagehour.dol.gov](http://www.wagehour.dol.gov). (inaudible) wage and hour division (inaudible) fact sheet recognize the major provision of the new rule and the actual regulatory (inaudible). (Inaudible) questions about any wage and hour loss (inaudible) [fade out]. (Inaudible) interactive internet (inaudible) small business. (Inaudible) I'll be here for a few minutes afterwards. If there is anyone who has questions (inaudible).

**MR. OWENS:** Thank you sir.

**MS. WEARE:** Oh, we have someone else to comment.

**MR. WAYNE:** Yeah, my name is Joe Wayne (inaudible) liaison by several people, and I know you're not (inaudible) people (inaudible) Providence, Rhode Island for a similar event. This is the same thing I mentioned (inaudible). (Inaudible) liaison. That falls under small business self employed operating (inaudible). How does the IRS define those people? Small businesses are those under \$10,000,000 in assets. Self employed obviously. Schedule C, Schedule SE, etc.

One of the things, one that everybody here as small business, and they did this at a (inaudible) and at a practitioner event, they (inaudible) her an answer about a month ago. I targeted small businesses in my (inaudible). What my operation does is, I cover (inaudible) my peer state holder liaison (inaudible) it also covers the state of Vermont. What we do regarding small businesses, I monitor whether (inaudible). I watch the weather channel. We're involved in staff or assistant relief efforts to small businesses and individuals. My people, like Shawn, deal with the various governmental liaisons and IRS who are required or a conduit to various congressional offices (inaudible) agencies. We have more of those individuals covering each state. In concert with them we go up to the congressional offices once a year and talk to the congressional staffer (inaudible) and those are very very low (inaudible). (Inaudible) we deal with state emergency management agencies. They're in the know a little bit (inaudible)

damages that occur in a particular state. We've been very active in (inaudible). Thank God we haven't had any of the predicted hurricanes, but as you know we've had massive flooding and everything else that have occurred.

What happens is we deal with state emergency management agencies who then deal with FEMA. FEMA comes in and they do PDAs, preliminary damage assessments and depending on what FEMA finds out in their various visits to the location, the (inaudible), the rivers that are overflowing, the (inaudible). Several days after the flood, even Vermont last year, where the crops were damaged. That's the rain issue of rivers overflowing. The (inaudible) with the Governor requested FEMA's assistance and got disaster relief efforts (inaudible) specifically regarding Maine. Shawn's been involved with the various state agencies as well as FEMA and the various contacts within those agencies.

Once the Governor makes his or her recommendation, depending on the damage assessment that FEMA and the state EMA's do, we then kick it in to gear. The President reviews the information; the President of the United States, and he signs declaring this area a disaster area.

Once individual assistance is (inaudible) a particular county within the state, we kick in to gear. Go with the governmental liaison, congressional offices, and our various contacts within the state emergency (inaudible).

After FEMA would go out and do their various either mobile types where they visit various locations. They also may not (inaudible). They just opened up the last particular flooding in April. The ones in Connecticut just closed within the last (inaudible) the results of the April 15 - 18<sup>th</sup> flooding. We also provide information (inaudible) etc. to FEMA and the various disaster recovery sights. (Inaudible) Camp Edwards when we had hurricanes down south. Many these last few weeks went to Camp Edwards in Massachusetts.

What we do when we staff these sites, in addition to giving out publications, we assist the various small businesses, individual tax payers in getting copies of their prior year tax returns. Often times they don't have identification. Poor evacuees of Katrina didn't think about bringing copies of (inaudible) wallets with them. What we do is establish identity for the various state agencies whether it's for a vehicle, whether it's federal social security. Then in concert with those agencies, once we have identified these people legitimately, you get copies of prior year tax returns. Many of these businesses or individuals (inaudible) there is no insurance coverage. You get a copy of a prior year tax return; assist them in preparing the return; amending it; claiming the loss this year. That's one of the major things that we do for small businesses. That's a broad over view. I'll also be here. I'm in no rush to get back to Connecticut. I love Portland.

**MR. OWENS:** Thank you.

**MS. WEARE:** And lobster, I bet.

**MR. WAYNE:** And lobster. Last night I was at Jay's, by the way.

**MS. WEARE:** Very good. Are there any other comments?

**MR. HICKS:** Good morning. My name is Tom Hicks. I'm from the U. S. Department of Labor (inaudible). I'm the (inaudible) program. My office is responsible for implementing (inaudible) and we work (inaudible) with the (inaudible) Department of Labor. My office had received small business (inaudible) city Department of Labor (inaudible) ocean. (Inaudible) [Tape fades]. I'm glad to be here (inaudible) [Tape fade].

**MR. OWENS:** (Inaudible) an officer in Connecticut in quite a few years. We just met for the first time. But one of the things we do, Shawn and my other eight people that cover the (inaudible) [Tape fade] we had a variety of publications, periodicals, DVDs, tax calendars, and our job is to assist the small business owner, whether it's one on one assistance, or meetings with SBECs or various industry groups that we meet with. We try to leverage as much as possible. The only (inaudible) key industry groups. Perhaps you might make contact with the Lobster Association in Rhode Island, but we deal with the key heads of these industries to get our information out regarding the particular industry; help them with our issues, tax related issues, and educate them and we do that with leveraging and touch base with everybody in one visit.

**MS. WEARE:** Okay. If there are no other comments, I think we can call this hearing to a close, and if any of you wish to stay and talk individually (inaudible).

[END TRANSCRIPT]